

INFORMATION SESSION

NM STATE CAPITAL OUTLAY

Hosted by:
Bernalillo County



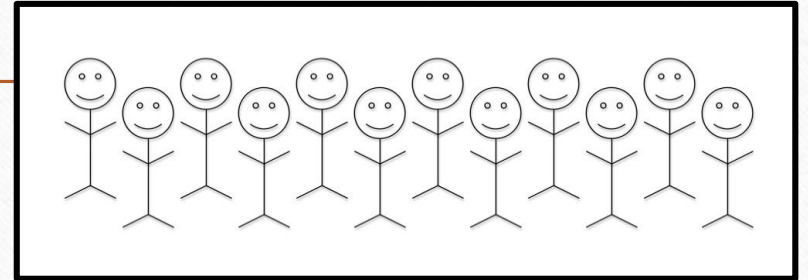


TODAY'S GOALS!

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- PUT FACES TO NAMES!
 - DE-MYSTIFY OUR BELOVED BUREAUCRATIC ACRONYMS!
 - INTRODUCE AND EXPLAIN WHY WE DO THINGS THIS WAY!
 - SO, YOU WANT TO GO TO THE STATE AND GET SOME \$\$\$\$!
 - WHAT YOU NEED TO DO BEFORE GOING TO THE STATE LEGISLATIVE SESSION
 - WOO HOO! YOU GOT STATE \$\$\$\$!
 - NOW WHAT DO YOU DO?
 - OOPS! YOU FORGOT TODAY'S INFORMATION!
 - WE GOT YOUR BACK!



FACES TO NAMES!



- **JULIE MORGAS BACA, COUNTY MANAGER**
- **CLAY CAMPBELL, MANAGEMENT AND POLICY ANALYST**
 - **BERNALILLO COUNTY CIP & ICIP LIAISON**
- **MEAGHAN ELLSWORTH, SPECIAL PROJECTS COORDINATOR**
 - **BERNALILLO COUNTY CAPITAL OUTLAY LIAISON TO NON-PROFITS**
- **JOLENE SLOWEN, CHIEF OF COMMUNITY DEVELOPMENT BUREAU DFA/LGD**
- **MARIA URBAN, PROJECT MANAGER, COMMUNITY DEVELOPMENT BUREAU DFA/LGD**



BELOVED ACRONYMS!

- BC = BERNALILLO COUNTY
- BCC = BOARD OF COUNTY COMMISSIONERS
- NPO = NON-PROFIT ORGANIZATION
- ICIP = INFRASTRUCTURE CAPITAL IMPROVEMENT PROGRAM
- CIP = CAPITAL IMPROVEMENT PROGRAM
- DFA = DEPARTMENT OF FINANCE ADMINISTRATION (STATE OF NM)
- LGD = LOCAL GOVERNMENT DIVISION (WITHIN DFA, STATE OF NM)
- SBOF = STATE BOARD OF FINANCE
- STB = SEVERANCE TAX BONDS





Why We Do Things This Way!





WHY WE DO THINGS THIS WAY

CIP AND ICIP

- **BCC APPROVES ICIP BY THE LAST BCC ADMINISTRATIVE MEETING IN AUGUST EACH YEAR.**
 - **COUNTY HOLDS INTERNAL REVIEW OF NPO REQUESTS**
 - **THE NPO REQUEST MUST BE LISTED ON THE ICIP AT THIS MEETING.**
- **STATE REQUIRES COUNTY TO SUBMIT ICIP BY SEPTEMBER OF EACH YEAR.**
 - **PER STATE REGULATIONS, NO ADDITIONAL PROJECTS CAN BE ADDED TO THE ICIP AFTER SEPTEMBER 2ND.**
- **STATE MAY NOT ACCEPT NPO CAPITAL APPROPRIATION REQUEST IF THE NPO HAS NOT WORKED WITH THE COUNTY PRIOR TO SEPTEMBER.**



WHY WE DO THINGS THIS WAY...

TIMES HAVE CHANGED AT THE STATE!

- THE STATE USES A DIFFERENT FUNDING SOURCE (STBs). MORE REGULATIONS AND THE IRS IS INVOLVED!
- THE STATE “GRANTS” CAPITAL OUTLAY FUNDS TO THE COUNTY. THE COUNTY IS A “GRANTEE” **NOT** A “FISCAL AGENT.”
- PER THE STATE, ANY PURCHASE USING CAPITAL OUTLAY \$\$\$ **CANNOT BE OWNED** BY THE NPO; AND **MUST BE OWNED** BY THE COUNTY.
- PER THE STATE, CAPITAL OUTLAY FUNDS **CANNOT** BE “PASSED THROUGH” THE COUNTY TO AN NPO.



WHY WE DO THINGS THIS WAY...

TIMES HAVE CHANGED AT THE COUNTY!

STATE “GRANTS” TO COUNTY...COUNTY MUST NOW:

- FOLLOW ALL LAWS IN THE SPENDING OF THE GRANT FUNDS;
- REPORT MONTHLY, YEAR-END ON THE GRANT ACTIVITY TO DFA/LGD;
- “FRONT” ALL \$\$\$\$ FROM THE COUNTY BUDGET;
- REQUEST STATE TO PUT \$\$\$\$ “FRONTED” BACK IN COUNTY;
- PURCHASE, OWN, LEASE, AND DISPOSE OF THE CAPITAL ITEM(S) FOLLOWING ALL APPLICABLE STATE AND COUNTY LAWS;
- PROVIDE STAFF TO MANAGE CAPITAL GRANT PROCESS.



WHY WE DO THINGS THIS WAY...

OH! JUST A FEW OTHER NOTES!

- IF COUNTY OR NPO SPENDS MONEY BEFORE RECEIVING STATE “NOTICE OF OBLIGATION” (APPROVAL) - THE STATE WILL NOT REIMBURSE EXPENDITURES.
- IF COUNTY EXPENDITURE(S) DON’T MEET STATE FINANCIAL REGULATIONS AND/OR APPROPRIATION LANGUAGE – THE STATE WILL NOT REIMBURSE EXPENDITURE(S).
- NPO IDENTIFIED AS RECIPIENT OF EXPENDITURE, TRIGGERS AUTOMATIC REVIEW BY STATE ATTORNEY GENERAL’S OFFICE AND DFA LEGAL STAFF.
 - ANTI-DONATION CLAUSE CONDITIONS WILL BE SET BY STATE;
 - NPO & COUNTY MUST PROVE CONDITIONS MET OR NO FUNDS GRANTED TO COUNTY.
 - CONTINUOUS REPORTING TO STATE, REQUIRED ENTIRE LIFE OF GRANT.



HEY STATE!
SHOW ME THE MONEY!!!



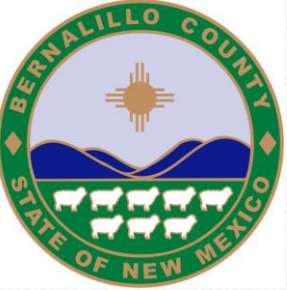


BEFORE THE STATE...

IS THE COUNTY...

AND THEN THE STATE LEGISLATURE!

- TAKE OUT THE FLOW CHART IN PACKET – LET’S REVIEW!
 - COMPLETE APPLICATION IF YOU WANT COUNTY TO BE “GRANTEE”
 - SUBMIT BY MAY 20, 2016
 - COUNTY INTERNAL TEAM REVIEW OF APPLICATION
 - IS A STRATEGIC COUNTY GOAL MET BY THIS CAPITAL REQUEST?
 - WILL THERE BE COUNTY FUNDS TO “BUDGET” FOR THIS CAPITAL ITEM?
 - WHAT IS THE COUNTY TAX-PAYER BUYING AND FOR HOW LONG IN THE FUTURE WILL TAXES BE COMMITTED TO THIS CAPITAL REQUEST?
 - COUNTY MANAGER **DENIES** OR **APPROVES...**



AFTER THE COUNTY... IS THE STATE LEGISLATURE!

- COUNTY MANAGER **APPROVES...**
- AUGUST - BCC CONSIDERS THE APPROVED REQUEST FOR INCLUSION ON ICIP.
- IF BCC **APPROVES...**
 - **NPO TAKES IT FROM HERE! COUNTY DOES NOT LOBBY ON BEHALF OF NPO**
 - APPROACH LEGISLATIVE REPRESENTATIVES TO SPONSOR CAPITAL OUTLAY REQUEST
 - STATE LEGISLATIVE SESSION – DETERMINES FATE OF REQUEST (DOES IT MOVE FORWARD IN CAPITAL APPROPRIATION BILL TO GOVERNOR’S DESK FOR SIGNATURE?)
 - GOVERNOR SIGNS BILL AND YOU JUST GOT CAPITAL OUTLAY!!!



WOO HOO! YOU GOT STATE \$\$\$\$!

- COUNTY COMPLETES REQUIRED STATE QUESTIONNAIRE TO GET STBS SOLD BY STATE (DEC/JUNE)
- STATE SENDS COUNTY "CONDITIONS" TO BE MET:

installation costs shall not be funded until LGD, with its legal counsel, has reviewed (and SBOF has approved, if required) the lease and/or operating agreement(s) between Bernalillo County and any private operator(s) to ensure fair market rent/adequate consideration and other provisions consistent with New Mexico law. If services are provided in lieu of rent, the approved agreement(s) should establish the services to be provided, the credit generated per unit of service, and the monthly or quarterly reporting and accounting method to be used.



HERE'S THE MONEY!!!





WOO HOO! YOU GOT STATE \$\$\$\$!

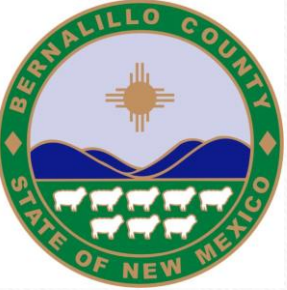
NOW COMES THE AGREEMENT!

- COUNTY AND NPO MUST COMPLETE AN AGREEMENT TO BE APPROVED BY STATE OF NM THAT IDENTIFIES:
 - HOW NPO IS PROVIDING “FAIR MARKET VALUE” FOR THE USE/LEASE OF THE CAPITAL ASSET;
 - HOW “FAIR MARKET VALUE” WAS DERIVED;
 - HOW/WHEN NPO WILL REPORT TO COUNTY ON SERVICES PROVIDED (TEMPLATE);
 - TEMPLATE OF QUARTERLY REPORT COMPLETED WITH INFORMATION.



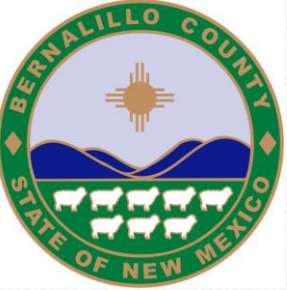
THE AGREEMENT ADDED TWISTS!

- DO YOU HAVE AN EXISTING “SERVICES IN LIEU OF RENT” AGREEMENT WITH COUNTY?
 - YES – I RECEIVE “FREE RENT” IN THE AMOUNT OF \$50,000 ANNUALLY.
 - MY NPO PROVIDES \$50,000 WORTH OF SERVICES TO COUNTY RESIDENTS ON AN ANNUAL BASIS.
 - MEETS THE ANNUAL “FAIR MARKET RENT” CONDITION SET BY AG OFFICE FOR EXCLUSIVE USE OF COUNTY FACILITY.
 - I REPORT SERVICES PROVIDED ON A QUARTERLY BASIS TO THE COUNTY.



THE AGREEMENT ADDED TWISTS CONTINUED!

- DID YOU ALSO RECEIVE CAPITAL OUTLAY FUNDS FROM THE STATE?
 - YES, I RECEIVED A GRANT FOR \$50,000.
- STATE REQUIRES A NEW AGREEMENT OR AN AMENDMENT TO THE EXISTING SERVICES AGREEMENT TO:
 - IDENTIFY HOW NPO MEETS OR EXCEEDS THE VALUE OF THE CAPITAL OUTLAY AMOUNT.
 - CANNOT USE THE SAME FORMULA BEING USED FOR “SERVICES IN-LIEU OF RENT AGREEMENT.”
 - NPO MUST PROVIDE SERVICES IN THE AMOUNT OF \$100,000 OR GREATER TO MEET BOTH THE CAPITAL OUTLAY GRANT REQUIREMENTS AND THE “SERVICES IN LIEU OF RENT AGREEMENT” REQUIREMENTS.



AGREEMENT IS APPROVED! LET'S SPEND THE MONEY!

- MEET WITH COUNTY PROJECT MANAGER - ID PURCHASE, BUILDING, RENOVATION, ETC.; PROJECT TIMELINE, OTHER.
- COUNTY PROJECT MANAGER & PURCHASING BEGIN PURCHASE PROCESS
- ONCE PURCHASE ORDER CREATED – MUST SEND TO DFA/LGD FOR APPROVAL PRIOR TO USING PURCHASE ORDER.
 - IF PURCHASE DOES NOT EXACTLY MATCH THE APPROPRIATION LANGUAGE – DFA/LGD WILL NOT APPROVE PURCHASE.
 - HAVE ENOUGH MONEY TO BUY 2 VANS – APPROPRIATION ONLY STATED “A VEHICLE.” DFA/LGD WILL ONLY ALLOW ONE VEHICLE TO BE PURCHASED.



AGREEMENT IS APPROVED! LET'S SPEND THE MONEY!

- **COMPLETE PURCHASE**
- **ADD ITEM TO COUNTY ASSET INVENTORY**
- **ENSURE NPO HAS PROPER INSURANCE (DEPENDS ON PURCHASE)**
- **DELIVER ITEMS**
- **SEND INVOICE TO STATE DFA/LGD FOR REVIEW AND APPROVAL.**
 - **IF INVOICE DOES NOT EXACTLY MATCH THE PURCHASE ORDER LANGUAGE – DFA/LGD WILL NOT APPROVE REIMBURSEMENT.**
- **COUNTY BEGINS MONITORING OF QUARTERLY REPORTING BY NPO AND REPORTS TO DFA/LGD.**



SIGN ME UP!

Due Date: May 20, 2016

APPLICATION PACKETS:

- **STATE CAPITAL OUTLAY REQUEST FORM**
- **SUPPLEMENTAL FORM #1 – CONTRACT AGREEMENT IDENTIFICATION FORM**
- **SUPPLEMENTAL FORM #2 – PRIOR FISCAL YEAR CAPITAL OUTLAY IDENTIFICATION**
- **STATE OF NM TITLE 2, CHAPTER 61 PART 6 - PUBLIC FINANCE BOND PROJECT DISBURSEMENTS**
- **TWO FAQ SHEETS**
- **COUNTY FLOW CHART ON NPO PROCESS**
- **COUNTY STRATEGIC PLAN**



FORGOT TODAY'S INFORMATION?

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- GO TO:

[HTTP://WWW.BERNCO.GOV/CAPITAL-IMPROVEMENT-PROGRAM/OVERVIEW.ASPX](http://www.bernco.gov/capital-improvement-program/overview.aspx)

- NEED HELP?

- CALL MEAGHAN ELLSWORTH 468-7410 OR EMAIL:
MELLSWORTH@BERNCO.GOV



TIPS TO HELP MAKE ENTIRE PROCESS EASIER

- REVIEW COUNTY'S STRATEGIC PLAN – DOES YOUR ITEM/PROJECT HELP COUNTY MEET STRATEGIC GOALS?
- FOR AN AGREEMENT TO BE APPROVED:
 - CAN YOU PROVE YOU PROVIDE SERVICES WORTH “MARKET VALUE” OF YOUR REQUEST? HOW DETERMINE “MARKET VALUE?”
 - IF YOU HAVE OTHER CONTRACTS WITH COUNTY (SERVICES IN LIEU OF RENT OR GRANTS) AND/OR PRIOR FY STATE CAPITAL OUTLAY FUNDS...
 - DO YOU PROVIDE ENOUGH SERVICES TO COVER THE ADDITIONAL VALUE YOU MUST PROVE FOR NEW REQUEST?